

- (vii) increased support price for the survival of the farmers and poor people of India;

(c) and (d). The areas of financing which were discussed were for providing credit facilities to farmers for enhancing the productive potential of land and short-term credit requirements for the cropping system; soil testing of lands to promote balanced application of nutrients and for maintaining soil health; improve extension services; providing of irrigation facilities to farmers; development of infrastructural facilities and development of marketing of agricultural commodities particularly for perishables; development of social sector etc.

In this connection, letter dated 19th October, 1996 written by the Agriculture Minister to the World Bank President Mr. James D. Wolfensohn is enclosed at Annexure 'A'.

Annexure - A

Chaturanan Mishra Minister of Agriculture
India
New Delhi-110001

Dated : October 19, 1996

Dear President Wolfensohn,

During dinner yesterday, you and some of the members of your delegation had conveyed to me your appreciation of my thinking on the measures to be taken to improve the economic lot of small and marginal farmers who constitute almost 80% of our farming community. Encouraged by this I am placing certain proposals especially meant for small and marginal farmers of the dominantly rainfed areas like Eastern Uttar Pradesh, Bihar, Orissa, Eastern Madhya Pradesh, and Rayalseema area of Andhra Pradesh whose total population will be 26.1 millions. I would request the World bank to consider projects for these areas, primarily meant for the small and marginal farmers covering the following aspects :

- (i) Ensuring access to credit for enhancing the productive potential of land and short-term credit requirements for the cropping system;
- (ii) Soil testing of lands of these farmers to promote balanced application of nutrients and for maintaining soil health;
- (iii) Transfer of improved rainfed cropping technology through demonstration and training to be organised through the Krishi Vigyan Kendras (Agricultural Science Centres);
- (iv) Promoting supplementary sources of household income especially for women through several agriculturally allied activities;
- (v) Providing such farmers with minor irrigation sources such as wells, ponds, tubewells, etc.;

- (vi) Development of rural communication infrastructure to facilitate marketing of agricultural commodities, particularly the perishables;

- (vii) Initial capital for introducing health insurance for agricultural labour. This should become contributory after introduction of assurance employment scheme.

For effective implementation of these measures funds could be provided directly to the village local bodies i.e. the Panchayats who could execute the works under the supervision of District Magistrate. The private sector and many non-governmental organisations reputed for their work performance will be engaged as this is likely to be more effective.

This will be a combined effort to reduce poverty not through doles but raising productivity and production from the lands of this scheme of the farming community. I would also like to inform you that even within our limited resources we have adopted 15 most backward poverty stricken, tribal and drought prone districts of different parts of the country through coordinated and concerted efforts to fight poverty.

We will devise measures for the best utilisation of funds. This will raise family income of the poorer sections of the population and this could have salutary effect in attempting to reduce subsidy on food which will go some way in reducing fiscal and budgetary deficit.

I am asking my Ministry to prepare concrete schemes on these aspects and would request you to send your team to finalise these projects.

With regards,

Yours sincerely,
(Chaturanan Mishra)

Mr. James D. Wolfensohn,
President, World Bank,
Camp Office : New Delhi.

Deployment of Central Police Force in Bangalore

1592. SHRI V. DHANANJAYA KUMAR : Will the Minister of HOME AFFAIRS be pleased to state :

(a) the number of companies of Central Police Forces deployed in Bangalore during the Miss World pageant;

(b) the cost of expenditure likely to be incurred in this regard;

(c) the authority by whom the cost is to be borne;

(d) whether proper assessment was made regarding the security risks before making the deployment; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MOHD. MAQBOOL DAR) : (a) 5 coys of RAF and 2 coys of Mahila CRPF were deployed in Bangalore during the Miss World Pageant on the request of the Government of Karnataka.

(b) and (c). The cost of the deployment which depend upon the period of deployment will be recovered from the Government of Karnataka as per prescribed rates.

(d) and (e). The State Governments are required to maintain public order and Central Police Force are made available on specific requests of the State Government to assist the State Administration.

Phosphate Plants

1593. SHRI G. VENKAT SWAMY : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Eighth Five Year Plan has recommended the setting up of two phosphate plants;

(b) if so, the status of the said proposal;

(c) whether Government have decided to shelve the Nitrophosphate project of KRIBHCO at Hazira;

(d) if so, the reasons therefor; and

(e) if not, the reasons for delay in this regard.

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SIS RAM OLA): (a) No, Sir. However the Working Group on fertilizers for the Eighth Plan had recommended that DAP plants with a total capacity of 0.45 million tonnes of P205 and nitrophosphate plants with a total capacity of 0.15 million tonnes of P205 should be set up during the VIII Plan period.

(b) The decontrol and decanalisation of phosphatic fertilizers in 1994 resulted in a sharp spurt in their farm gate prices. The resultant demand compression has inhibited the flow of fresh investment in the phosphatic sector.

(c) to (e). KRIBHCO is reconsidering the nitrophosphate project because of adverse changes in the parameters of project viability and availability of better alternative investment opportunities.

Barbed Wire Fencing

1594. SHRI BADAL CHOUDHURY : Will the Minister of HOME AFFAIRS be pleased to state :

(a) whether there is any proposal to erect barbed wire fencing all along the international border areas of Tripura; and

(b) if so, the steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MOHD. MAQBOOL DAR) : (a) There is a proposal to erect fencing on 494 Kms of the Tripura-Bangladesh border.

(b) The matter is under consideration of the Government.

[Translation]

Sale of Wheat in Open Market

1595. SHRI GANGA CHARAN RAJPUT : Will the Minister of FOOD be pleased to state :

(a) whether the Food Corporation of India had sold the wheat at the rate of Rs.4900/- per ton after September and at the rate of Rs.4550/- before September to the traders in Delhi and Chandigarh whereas the price of the Wheat was Rs. 6250/- per ton in the open market;

(b) if so, the reasons for which the Food Corporation of India has not sold wheat on Maximum prices by open auction or by inviting tenders;

(c) the reasons for not providing wheat at the fair price shops due to which a common man had to purchase the same wheat flour at Rs.8 per kilo, which was sold at Rs.4.50 per kilo by the Government in the open market;

(d) the quantum of wheat sold by the Food Corporation of India in open market and the loss suffered by the Government thereby; and

(e) whether the Government have received any complaints in this regard; and

(f) if so, the action taken by the Government thereupon?

THE MINISTER OF FOOD AND MINISTER OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI DEVENDRA PRASAD YADAV) : (a) and (b). Yes, Sir. Open sale of wheat by FCI is undertaken, inter alia, to exert a sobering influence on the market prices without jeopardising the Public Distribution System. On Relevant/practical consideration Government has decided to undertake open sale of wheat on prices above the Central Issue Price but below the FCI's economic cost.

(c) The open sale of wheat by FCI is conducted only from the surplus stock available at various depots/ areas over and above the requirements of PDS/RPDS and other Governments sponsored welfare schemes. The Open sale of wheat has not affected the supply of wheat for Public Distribution System.

(d) FCI has sold a quantity of 16.55 lakh tonnes (Provisional) wheat during 1996-97 (upto Oct., 1996) under the open market sale scheme (domestic). The open sale of wheat by FCI is conducted at prices above Central Issue Price but below FCI's economic cost. The amount realised from the open sale of wheat is more than the amount that would have been realised, had this quantity been released at CIP. Thus there has been saving on subsidy to some extent.

(e) and (f). Some representations have been received regarding sale of wheat in the open market. The policy of open market sale of wheat is reviewed by the Government from time to time and corrective measures are taken as and when considered necessary.